

115TH CONGRESS  
1ST SESSION

# H. R. 1325

To amend title XIX of the Social Security Act to provide States with flexibility with respect to providing premium assistance under the Medicaid program.

---

## IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 2017

Mr. BUCSHON introduced the following bill; which was referred to the Committee on Energy and Commerce

---

## A BILL

To amend title XIX of the Social Security Act to provide States with flexibility with respect to providing premium assistance under the Medicaid program.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. PROVIDING FLEXIBILITY WITH RESPECT TO**  
4                   **PREMIUM ASSISTANCE UNDER MEDICAID.**

5       (a) IN GENERAL.—Section 1906 of the Social Secu-  
6       rity Act (42 U.S.C. 1396e) is amended—

7                   (1) in subsection (c)(2), by striking “such  
8                   plan.” and inserting “such group health plan.”; and  
9                   (2) by inserting after subsection (c) the fol-  
10                  lowing new subsection:

1       “(d) STATE OPTION FOR NONELDERLY, NON-  
2 DISABLED ADULTS.—

3           “(1) IN GENERAL.—Beginning on January 1,  
4       2018, in the case of a State electing the option de-  
5       scribed in paragraph (2) of subsection (a), the Sec-  
6       retary may, upon the approval of a State plan  
7       amendment submitted by the State, waive the re-  
8       quirement of paragraph (3) of such subsection to the  
9       extent such requirement provides for payment of  
10      premiums and deductibles and other cost-sharing ob-  
11      ligations with respect to the items and services de-  
12      scribed in such paragraph furnished to individuals  
13      described in paragraph (3) of this subsection.

14           “(2) COST-EFFECTIVENESS.—

15           “(A) IN GENERAL.—The Secretary may  
16      approve a State plan amendment under this  
17      subsection if the Secretary determines that the  
18      payment of premiums and deductibles and other  
19      cost-sharing obligations under the group health  
20      plan or plans involved is cost-effective relative  
21      to the amount of expenditures under the State  
22      plan, including administrative expenditures, and  
23      excluding payments for copayments or coinsur-  
24      ance, that the State would have made to pro-

1                   vide comparable coverage of the individuals de-  
2                   scribed in paragraph (3) involved.

3                   “(B) DETERMINATION.—For purposes of  
4                   subparagraph (A), cost-effectiveness shall be de-  
5                   termined—

6                   “(i) on an annual basis by com-  
7                   paring—

8                   “(I) the amount of expenditures  
9                   per employer for coverage under the  
10                  group health plan or plans involved of  
11                  the individuals described in paragraph  
12                  (3) for the preceding 4 calendar quar-  
13                  ters; to

14                  “(II) the average per capita  
15                  amount of expenditures that the State  
16                  made under the State plan to provide  
17                  comparable coverage of such individ-  
18                  uals for such calendar quarters; and

19                  “(ii) in the case of individuals de-  
20                  scribed in paragraph (3) who are parents  
21                  of children—

22                  “(I) if the parent is eligible for  
23                  enrollment in a group health plan,  
24                  based on the cost of purchasing family

1 coverage under the group health plan;  
2 and

3                                     “(II) if the parent is not so eligi-  
4                                     ble, based on the cost of individual  
5                                     coverage for the parent and each  
6                                     child.

7                   “(C) CHILD DEFINED.—In this paragraph,  
8                   the term ‘child’ has the meaning given such  
9                   term in section 1902(e)(13)(G).

10                 “(3) NONELDERLY, NONDISABLED ADULTS.—  
11                 The individuals described in this paragraph are indi-  
12                 viduals who are under 65 years of age, not pregnant,  
13                 not entitled to, or enrolled for, benefits under part  
14                 A of title XVIII, or enrolled for benefits under part  
15                 B of title XVIII, are not described in subclauses (I)  
16                 through (VII) of section 1902(a)(10)(A)(i), and oth-  
17                 erwise entitled to medical assistance under this  
18                 title.”.

19           (b) PREMIUM ASSISTANCE SUBSIDY OPTION.—Sec-  
20 tion 1906A of the Social Security Act (42 U.S.C. 1396e-  
21 1) is amended by adding at the end the following new sub-  
22 section:

23        "(f) STATE OPTION FOR NONELDERLY, NON-  
24 DISABLED ADULTS.—

1           “(1) IN GENERAL.—Beginning on January 1,  
2        2018, in the case of a State electing to provide a  
3        premium assistance subsidy as described in sub-  
4        section (a), the Secretary may, upon the approval of  
5        a State plan amendment submitted by the State,  
6        waive the requirement of subsection (e) to the extent  
7        such requirement provides for payment of premiums  
8        and deductibles and other cost-sharing obligations  
9        with respect to the items and services described in  
10      such subsection furnished to individuals described in  
11      paragraph (3).

12           “(2) COST-EFFECTIVENESS.—

13           “(A) IN GENERAL.—The Secretary may  
14        approve a State plan amendment under this  
15        subsection if the Secretary determines that the  
16        payment of premiums and deductibles and other  
17        cost-sharing obligations under the qualified em-  
18        ployer-sponsored coverage involved is cost-effic-  
19        tive relative to the amount of expenditures  
20        under the State plan, including administrative  
21        expenditures, and excluding payments for co-  
22        payments or coinsurance, that the State would  
23        have made to provide comparable coverage of  
24        the individuals described in paragraph (3)(B)  
25        involved.

1                 “(B) DETERMINATION.—For purposes of  
2                 subparagraph (A), cost-effectiveness shall be de-  
3                 termined—

4                         “(i) on an annual basis by com-  
5                 paring—

6                         “(I) the amount of expenditures  
7                 per employer for coverage under the  
8                 qualified employer-sponsored coverage  
9                 involved of the individuals described in  
10                 paragraph (3)(B) for the preceding 4  
11                 calendar quarters; to

12                         “(II) the average per capita  
13                 amount of expenditures that the State  
14                 made under the State plan to provide  
15                 comparable coverage of such individ-  
16                 uals for such calendar quarters; and

17                         “(ii) in the case of individuals de-  
18                 scribed in paragraph (3) who are parents  
19                 of individuals under 19 years of age—

20                         “(I) if the parent is eligible for  
21                 enrollment in qualified employer-spon-  
22                 sored coverage, based on the cost of  
23                 purchasing family coverage under  
24                 such qualified employer-sponsored  
25                 coverage; and

1                         “(II) if the parent is not so eligi-  
2                         ble, based on the cost of individual  
3                         coverage for the parent and each such  
4                         individual under 19 years of age.

5                         “(3) NONELDERLY, NONDISABLED ADULTS.—  
6                         The individuals described in this paragraph are indi-  
7                         viduals (or the parents of individuals) who are—

8                         “(A) participating in a premium assistance  
9                         subsidy under this section for qualified em-  
10                         ployer-sponsored coverage; and

11                         “(B) under 65 years of age, not pregnant,  
12                         not entitled to, or enrolled for, benefits under  
13                         part A of title XVIII, or enrolled for benefits  
14                         under part B of title XVIII, and are not de-  
15                         scribed in subclauses (I) through (VII) of sec-  
16                         tion 1902(a)(10)(A)(i).”.

